

Housing Need and Housing Demand in Canada

OJ Firestone, 1950

HOUSING NEED AND HOUSING DEMAND

Economic Considerations Arising Out of Public Recognition of the Principle of Housing Need

Remarks at the Diamond Jubilee Convention of the Ontario Association of Architects,
Toronto, January 20, 1950, by Dr. O. J. Firestone

Mr. Chairman, Gentlemen:

I appreciate the invitation of your Executive to talk to you about the economic aspects of housing need. I shall deal with this subject in discussing housing need and housing demand and in referring briefly to the economic considerations which arise out of public recognition of the principle of housing need. Speaking to you as a civil servant, my remarks should be regarded solely as the observations of a technician. To turn now to the topic.

Two momentous housing events occurred in December, 1949, making the turn into the fifties a milestone in Canadian housing history.

Post-War Housing Achievements

First, the three hundred and twenty thousandth house was completed as the fourth post-war year drew to a close. Never before in Canadian history had so many houses been built in such a short period and under such trying circumstances. The millionth Canadian moved into a place of his own. Every tenth family in Canada was living in a new post-war home. This was an industrial achievement of the first order, of which the building industry and the professions could well be proud, and which the Government had facilitated by a variety of measures. (1) But the main beneficiaries were those million Canadians for whom the dreams of a post-war house had become a reality.

Recognition of the Principle of Housing Need

Secondly, Section 35 of the National Housing Act, 1944, became law on December 10, 1949. On that date, after a thirty-year controversy, an important step was taken by the Government by accepting a measure of responsibility for housing need. Section 35 opened the way for joint Federal, provincial and municipal housing projects to provide both economic and sub-economic (or subsidized) housing, depending on what the people and the

(1) For a summary of the effect of governmental housing measures, see Annual Report of Central Mortgage and Housing Corporation, 1949, and Housing in Canada, January, 1950, a quarterly review by Central Mortgage and Housing Corporation.

governments in each region and locality considered the most effective way of tackling their particular housing problem. Statutory recognition of the principle of housing need was the opening shot in the second stage: to translate principles into houses, to transform slums into model communities, and to make the slogan of a high Canadian housing standard a living reality.

All great issues involving public controversy have one distinctive feature in common. They are clouded in confusion. Claims and counter-claims frequently obscure not only the problem itself but also what can be done about it and how it can be achieved most effectively. Among the confused issues housing ranks pretty high.

The Fairy Tale of a Chicken for Every Sunday Dinner

A fairy tale might illustrate how much easier it is to get confused than to see things clearly.

Once upon a time a king who had the wellbeing of his subjects very much at heart announced that every family in his kingdom was to have a chicken for Sunday dinner. There was great rejoicing in the land, particularly among the chicken raisers and distributors, who expected to do a landslide business.

The king then called together his elders and asked them how to proceed. The elders stroked their beards, and those who were beardless and bald scratched behind their ears. Finally, they recommended to the king that a census be taken to find out the number of families who needed chickens. The number was to be found, they said, by subtracting from the total number of families those who were buying a chicken for Sunday dinner any way. The king decreed to do as the elders said - at that time, unlike the present, the experts were always presumed to be right until proven wrong. The number of families not buying chickens was then counted, and the same number of chickens were bought and stored in the king's warehouses. All families concerned were asked to pick up their chickens against payment of a nominal sum, set so low that even the poorest family could afford it.

But when the first Sunday passed there were thousands of chickens left in the king's warehouses. When the king heard this he got angry. He called his

elders and told them what he thought of their advice, and he decreed that the punishment of the elders would be to eat the chickens that were left over until they were coming out of their ears.

Why were not all the chickens ordered by the king used? First, there were some families who did not like eating chickens. Secondly, there were those families who would not pay even the nominal sum required to get a chicken but would rather spend their money on beer. And then there were those who would not pick up their chickens because they were not going to let even a king tell them what they were going to have for dinner. What went wrong was that the elders did not consider the fickleness of human nature.

The moral of the fairy tale of course is: One cannot establish the need for chickens just by counting the number of human noses.

Difference Between Housing Need and Housing Demand

Now what was true for the chickens in this fairy tale is also relevant for the housing problem in Canada. How else could one explain the fact that estimates by responsible citizen groups and learned bodies of Canadian housing need to be met annually have varied from 60,000 to 145,000 units or a range of about 150 per cent.⁽¹⁾ Obviously, there are differences of opinion of what housing need is, where it begins and where it ends. And, just to make things worse, housing need has frequently been confused with housing demand, which is as different as a piano is from a violin. The only thing the last two have in common is that they are both musical instruments. Housing need and housing demand have only the fact in common that they both relate to housing.

Canada's over three million families can be divided into four groups:

- (1) those who have a dwelling of their own and do not want to move; (2) those who have a dwelling but want to obtain another home which is bigger, better or cheaper; (3) those who do not have a separate dwelling of their own and do not

(1) The Canadian Construction Association mentioned a post-war housing need of 300,000 homes which should be met over the first five post-war years, that is, 60,000 units annually. The Association stated that "the greater part of the 300,000 homes will be for low income families, and will involve Government ownership and assistance in some form". (The Role of the Construction Industry in Post-War Years, a brief from the Canadian Construction Association to the Special Sub-Committee on Reconstruction and Re-Establishment, of the House of Commons of Canada, Ottawa, November, 1943, p. 10.). The Ontario Association of Architects placed Canada's housing need for the first ten years after the war at between 1,114,000 and 1,450,000 units, or an annual average varying from 114,000 to 145,000. (Canadian Institute of International Affairs, Homes or Hovels, "Behind the Headlines" series, Toronto, Vol. 3, No. 5, 1943, p. 36.)

want one, e.g. a young couple living with their parents; and (4) those who do not have a separate dwelling of their own but would like to get one. Groups (1) and (3) do not want a new home. They have therefore no housing problem. Groups (2) and (4) want a home of their own, and they indicate in some measure the housing requirements of the country.

Taken together, those who want a new home fall again into two categories. First, there are those whose assets and incomes enable them to buy a home or lease a place of their own at prevailing prices or rents. These families represent effective housing demand. These people have the money to get what they want, and they will get it when they find suitable accommodation. But there is another category of families who want homes but cannot afford to buy or rent one at prevailing prices. They do not represent housing demand, because for financial reasons they are unable to make their want effective in a free market economy. The requirements of this group may be described as housing need.

The Struggle for Recognition of Housing Need

It is not surprising that for many years the principle of accepting some public responsibility for housing need did not find official recognition by governments, or professional recognition by economists. Many social workers, health authorities, sociologists and reformers believed in it, but their arguments were not very convincing. The trouble with housing need was that its determining criteria were so unlike those of housing demand, with which the general public was more familiar. Housing demand was determined by economic criteria, mainly the relationship of incomes to prices, the accumulation of savings, and mobility and growth requirements of the country. All these criteria could be established through the marshalling of facts - sometimes with difficulty, it is true, but still the basis for decisions were economic facts. But when it came to housing need the criteria were health, welfare, moral and ethical standards that were hard to establish, difficult to agree upon, and varied so much over time and for different regions and localities that attempts to delineate housing need gave an unscientific and unconvincing impression. This made it easy to pass over estimates of housing need and requests to do something about them as the unreal dreams or the wishful thinking of a small group of professional complainers.

This critical attitude towards a concept of housing need was shared

equally for many years by the majority of the Canadian people and their governments. The negative attitude towards housing need was further fortified by another fact.

The lines between housing demand and housing need were not clearly drawn and varied greatly over time.⁽¹⁾ To give an example: A young couple with sufficient income were looking for a place of their own. Their requirements represented housing demand. But the husband lost his job, and they had to stay on in their rented room. They still wanted a home of their own, but now they could not afford it. Overnight, then, housing demand was replaced by housing need. But then the young couple moved into their parents' home and they liked it so much there that they decided that they did not want a place of their own even if they could afford it. Thus, in this case, even the housing need disappeared. Remember the fairy tale of the chickens! It is not the number of families alone that determines either housing demand or housing need.

Housing Need Becomes More Respectable

Now, what brought about the change in the attitude towards housing need particularly noticeable in the last decade?

First, the fact that Canada experienced the greatest housing shortage in her history during World War II and the immediate post-war period.

Secondly, a clearer understanding that housing need and housing demand were entirely different matters. Housing demand had fluctuated greatly in the between-the-wars period, as incomes also fluctuated substantially (see Figure I). The question of fortifying housing demand in the future and avoiding some of the substantial fluctuations of house building were important economic factors leading to consideration of housing need, which if met through public housing measures could add to the stability of the construction industry.

Thirdly, the concept of a minimum standard of living for Canadian families was gradually finding wide acceptance among large sectors of the working population. And as countries which for many years had been known as the outstanding proponents of the free enterprise system, such as the United Kingdom and the United States, recognized the principle of housing need and designed

(1) For a comprehensive discussion of definitions and extent of housing demand and housing need, see Frontiers of Housing Research, Panels III and IV, published in "Land Economics", Wisconsin, February, 1949, pp. 103-132.

public housing schemes, Canadian thinking could not help but be influenced by such developments abroad.

Nevertheless, there still are many people in Canada who feel that the recognition of the principle of the Government accepting some responsibility for housing need, which may lead the country into public housing undertakings, is completely uncalled for in a society where great opportunities exist for everyone to achieve a reasonably high standard of living as the result of his own labour.

National measures of major importance are usually based on compromise between the views of those who are for it and of those who are against it. Housing measures are no exception to this rule. This explains the gradualness and flexibility with which the long term solution of the housing problem is being approached in Canada.

Joint Federal, Provincial and Municipal Housing Projects

To sum up the present situation: There are many people in Canada who feel that there should be a continuing high volume of house building in order to raise gradually the housing standard of all groups of Canadian families. If, in order to achieve this goal it is necessary to provide subsidized low rental housing, then this possibility should not be overlooked. And there are others who think that most of the same goal can be achieved without a public housing program.

The new Section 35 of the National Housing Act, 1944, takes account of the different views that are being held presently in Canada about how to get homes built in sufficient numbers in the future. The legislation makes provision for Federal and provincial (and municipal) authorities to enter into agreements to facilitate house building along three lines: (a) to provide serviced land to facilitate private and public residential housing development; (b) to build houses for sale by private builders for purchase by individual families with financing requirements greatly reduced under other provisions of the National Housing Act, and (c) to build where necessary low rental housing projects which might be leased at less than economic rentals, with the difference being made up by the participating governments in the form of contribution to a rent reduction fund.

Capital costs and operating losses or profits are to be shared 75 per cent by the Federal Government and 25 per cent by provincial governments and

any other participating agencies, in particular municipal authorities.

There are many interesting features in these new provisions that could usefully be examined, such as the flexibility of the approach towards Federal, provincial and municipal cooperation and the recognition that the housing problem is different in various parts of the country and requires individual treatment in each locality. But the remainder of this paper will concentrate on one question only: What are some of the economic considerations arising out of the public recognition of the principle of housing need? In particular, what would be involved and how much would it cost if Federal, provincial and municipal authorities would embark on subsidized low rental housing projects in Canada?

Method of Analysing Financial Costs of Low Rental Housing Projects

It is one of the characteristics of modern society that it prefers facts and figures to qualitative answers to a question. In presenting in summary form some relevant quantitative evidence available on the subject, the figures referred to below are assembled primarily for the purpose of illustration. They are used in conjunction with certain assumptions which may or may not come true. Further, the data shown are preliminary and approximate⁽¹⁾. In reality, if and when decisions are to be made to undertake an actual low rental housing development, the concrete circumstances in each locality and affecting each project will have to be ascertained and many other factors, which for space reasons cannot be considered here, will have to be taken into account.

The following analysis deals with conditions in four metropolitan centres in Canada: Montreal, Toronto, Winnipeg and Vancouver.

Four assumptions are made: (1) that the average capital cost of a public housing unit, including land, will not exceed \$7,000; (2) that tenant families are willing and able to pay 25 per cent of their incomes for rent, including heating, hot water, janitor service, etc.,⁽²⁾ and that the monthly

(1) Data on households, incomes and shelter costs are a special compilation based on the records of the Family Expenditure and Income sample survey undertaken in 1948 by Dominion Bureau of Statistics and made available by courtesy of that agency. Other data are based on operating experience of Central Mortgage and Housing Corporation. The figures are approximate, because in reality ranges are more appropriate than any one particular figure selected in this paper for illustration purposes. Average figures, as is well known, cannot possibly cover all situations that may exist.

(2) That is, the usual 20 per cent for rent and 5 per cent for related services.

rent would not be less than \$25 for a four-roomed heated apartment; (3) that families selected to move into low rental housing projects on the basis of need would be representative of the income distribution in the lower income third⁽¹⁾; and (4) that municipal authorities would share with provincial governments half of the operating and capital costs involved in building low rental housing projects, and that in return municipal authorities would be reimbursed in full for serviced land they might have made available and would receive full municipal taxes equivalent to those paid for like properties by private owners.

- (1) If, for example, only families with annual incomes of less than \$1,200 were selected, larger rental subsidies would be required than if a representative group of the over half a million tenant families in the lower income third was selected. The upper boundary of the lower income third in the three cities was less than \$2,300 and in Toronto less than \$2,650.
- (2) This more extreme assumption has been made to illustrate that even under such conditions the financial burden to the municipality sponsoring a low rental housing project might be lower than might be assumed at a first glance. In practice, the extent of the contribution by municipalities will vary and will depend on the financial status of and the relationship between the provincial and municipal authorities.

Population, Households and Incomes

At the end of 1948 the four metropolitan centres mentioned above comprised a total population of 3.2 million, or about one-quarter of Canada's population. But since tenant families are more concentrated in these four cities than in the rest of Canada, they represent two-fifths of total tenant families. The total number of "spending units"⁽¹⁾ of two or more persons (roughly equivalent to households) was estimated at 874,000. Of these, 338,000 or about two-fifths were living in their own homes and the remainder living in rented quarters.

The average income of all spending units living in the four cities was \$3,250 per year. It varied from a low of \$3,050 for Winnipeg, to a high of \$3,500 for Toronto. Dividing the total number of households into three equal income thirds, spending units in the lower income third earned less than \$2,400 annually, in the middle third between \$2,400 and \$3,400, and in the upper third more than \$3,400 (see Table 1).

Housing Need Quantitatively Illustrated

It has been stressed earlier that in order to avoid confusion it is essential to separate two spheres, housing demand from housing need. This is done here for the four cities selected as of a point of time, approximately the end of 1948. As emphasized previously, the situation is constantly changing, and is likely to be different in 1950.⁽²⁾ Taking \$7,000 as the average capital cost per unit for a multiple housing project, economic rentals would be approximately \$52 per month (see Table 2). Using the standard set in assumption (2), such a rental would require a monthly income of about \$200, or an annual income of \$2,400. This means that families in the less than \$2,400 income group could only afford to pay economic rentals for new housing accommodation if they paid more than 25 per cent of their income. It so happens that this group comes very close to the lower income third in the four cities examined, as the average upper boundary of the low income third was less than \$2,400. The only exception among the four cities is Toronto, where the upper boundary was somewhat higher,

(1) The Dominion Bureau of Statistics defines a spending unit as a group of persons putting all incomes into a common fund and meeting all expenses from that fund.

(2) For example, reduced down payment requirements for home purchasers introduced in the 1949 amendment to the National Housing Act, 1944, might induce families hitherto not in the housing market to endeavour to obtain a home of their own, particularly in the light of increases in the rental ceilings between 18 and 22 per cent, which have been announced in November, 1949. Such a development would fortify housing demand and reduce housing need as defined in this paper.

less than \$2,650. This means that on the basis of the ratio of economic rentals to income as used here there will be a number of families in Toronto in the upper sector of the lower income third who still can afford to pay economic rentals. Nevertheless, there still remain some 37,000 tenant families with incomes of less than \$2,400 in Toronto, and a total in the four cities of about 180,000 families who would represent apparent housing need as defined above. They represent the maximum number that would be eligible for accommodation in subsidized low rental housing projects.

As a side aspect of the present analysis, it is interesting to note that the families in the lower income third were paying only about 21 per cent of their incomes for rent in 1948 (see Table 3). However, the situation would be distinctly different in 1950 because of the increase in rentals which has been allowed since this survey was made.⁽¹⁾

Now before proceeding any further in appraising housing need, the moral of the fairy tale should be recalled. There will be families in the lower income third who are quite satisfied with their accommodation and do not want to move. There will be others who will not want to pay even the low subsidized rentals, preferring to stay in their present accommodation and spend the extra rent required on other things than shelter expenditures. There will be still others who will strain their budgets and by devoting a higher proportion of their income to shelter than 25 per cent will be able to acquire homes of their own or rent apartments in private housing developments at economic rentals. Further, as income and personal conditions change, families are constantly moving both into and out of the lower income third, so that, while the total number may change only little from year to year, the aggregate will be made up of different groups of people.

The most realistic way to test how many families are eligible to be considered for accommodation in low rental housing projects would be to state the conditions under which families would be accepted and then to ascertain how

(1) Income figures are presently not available separately for spending units living in their own homes and in rented premises. However, data on shelter expenditures by tenant families are available. By relating average incomes of both home owners and tenant households to tenant shelter expenditures, the ratio obtained is likely to be a little lower than the ratio that would be obtained had data on incomes of tenant spending units been available. However, it does not appear that a downward bias of the data available is significant enough to affect some of the basic relationships becoming apparent from the statistics available. This qualification should be borne in mind in considering the estimates of rental subsidies shown in Tables 4 to 6.

many would actually apply. Because of the individualistic attitude of Canadians, it is doubtful whether even one half of the number of families eligible at the end of 1948 would have applied. But whether the proportion would be more or less than one-half is purely academic, because it would take many years to provide low rental housing accommodation for all those families who may be eligible and would want to move into such quarters. And even after the most pressing housing needs have been met in the course of a number of years, by the time this has been done economic conditions and social attitudes might have changed and the boundaries between housing need and housing demand might be entirely different from what they are at present.

The analysis suggests that whatever standards are used and assumptions made, as long as these are realistic there is a minimum core of housing need which cannot be met by traditional methods of house building and housing finance. Even though that core would be put as low as 25 per cent of all the tenant families in the lower income third in the four cities reviewed here, this would mean that over the next five years Montreal would require about 5,000 low rental housing units annually, Toronto about 2,500, Vancouver about 1,000, and Winnipeg approximately 700.

Financing of the Low Rental Housing Program

Economic and Sub-Economic Rentals. Before capital and operating costs can be estimated for Federal, provincial and municipal low rental housing projects, some idea of the range of rental subsidies required at given income levels of tenant families is necessary. It has been suggested earlier that the four-city average of economic rentals might be close to \$52 per month. Average sub-economic rentals which families could afford to pay, based on assumptions 2 and 3, appear to be of the order of \$38. This suggests the need of an average monthly rental subsidy of \$14, varying for the four cities as follows: Toronto \$12.50, Montreal \$13.50, Vancouver \$14, and Winnipeg \$17 (see Table 4).

Capital Costs and Rental Subsidies - Intergovernmental Participation.

On the basis of \$7,000 capital costs per low rental housing unit, the Federal share would be \$5,250 and the provincial share \$1,750. If municipalities were to be asked by provincial governments to participate in such projects on a 50-50 basis this might involve a capital contribution of \$875 on the part of municipalities. If Toronto, for example, were to embark on a 2,500 low rental

housing program annually over the next five years, this would involve a capital contribution of some \$2 million per year. On the other hand, if any of the cities mentioned above were to decide to proceed on the basis of 1,000 low rental housing units annually, \$875,000 would be the required contribution to capital cost.

As far as annual rental subsidies are concerned, the four city average would be \$163 with the Federal Government contributing \$122 and the province either alone or in conjunction with the municipality providing the remaining \$41 (see Table 5).

Municipal Budget for Low Rental Housing Projects. Since municipal authorities are generally accepted to be in a financially weaker position than either provincial governments or the Federal Government, it is of interest to examine by way of illustration some of the salient features of a municipal budget for a single low rental housing unit.

On the expenditure side, municipalities might be called upon to contribute \$875 to the capital cost of such a unit. But should a municipality be in a position to provide serviced land the value of its contribution in kind to the low rental housing project might come close to its required cash contribution, depending of course on the value of the land, which is determined by location and prevailing residential land prices. In the case of a municipality providing serviced land, little cash outlay might be required on the part of the municipality as far as its contribution to capital costs are concerned. Of course, if only unserviced land were available or if the site would have to be purchased, a cash contribution might be required.

In addition to a contribution to capital costs the municipality might also be called upon to share in the rental subsidies required to bridge the gap between economic and sub-economic rentals. The ^{annual} contribution of municipalities to the rent reduction fund might average \$21 for the four cities varying for the individual cities as follows: Toronto \$19, Montreal \$20, Vancouver \$21, and Winnipeg, \$25.50 (see Table 6).

On the receipt side, there are certain aspects which can be put in quantitative terms, while others are better referred to qualitatively.

Economic rentals, as shown in Table 2, include an allowance for the full amortization of capital costs over a 50-year period at 3 per cent. If

municipalities contribute \$875 or $12\frac{1}{2}$ per cent of total capital costs of a low rental housing project either in cash or in kind (e.g. serviced land), they would be credited with about \$34 as their share in the annual re-payment of capital costs. This receipt would offset in part or in full, depending on conditions, the municipal contribution required to the rent reduction fund. In the illustration used in this paper, receipts would cancel out the contribution to the rent reduction fund, but in practice it may turn out that rental subsidies required may be higher⁽¹⁾ than assumed above, mainly because there may be a greater concentration of families coming from the lower sectors of the lower income third. Whatever the municipal contribution to the rent reduction fund may turn out to be, the amortization payment received by the municipality would represent a significant offsetting item.

The main receipt of the municipality, of course, would be the full municipal taxes paid for the property. Here it has been assumed as 12 per cent of total capital costs, or \$84 annually. In reality this amount will differ for various cities and even within cities depending on the location of the low rental housing project.

The above figures, while illustrative only, suggest that municipal low rental housing projects under joint Federal, provincial and municipal schemes may present a lesser burden on municipalities than might be assumed on the basis of a priori reasoning without looking at the facts.

Among other gains to be made by the municipality is the fact that once the project is fully amortised after 50 years it might become the property of the municipality without any encumbrances of a capital nature attached to it. Another feature would be that general city operating costs covering such items as health, police and fire protection might be reduced if the building of the low rental housing project were tied in with slum clearance and re-housing schemes.⁽²⁾

(1) See also footnote (1) on page 2.

(2) The assumption of capital cost of \$7,000 does not include an allowance for slum clearance cost and re-housing expenditures. The scheme analysed here is the simplest type of project being built on new residential land probably on the outskirts of the city where sites are more plentiful and land is available more cheaply. Re-development schemes like Toronto's Regent Park project might add considerably to the cost and a new set of calculations would be required.

Conclusion

The last 15 years represent the first stage in the striving for a national housing program which would meet the requirements of all sectors of the population. Most of the measures were taken by the Federal Government, and include financial provisions under the National Housing Act, 1944 and its predecessors, and direct house building to meet special war and post-war conditions. With the passing of Section 35 of the National Housing Act, 1944 by the Canadian Parliament, a new stage has been set.

Two fundamental principles have been recognized: (1) that housing requirements vary greatly in localities and regions across the country, and that people in each municipality and province should be free to choose the most effective way of coping with their particular problem, and (2) that a national housing program requires Federal, provincial and municipal cooperation with the Federal Government paying the larger share of costs.

The basis has now been laid for each locality and region to determine its own housing problem and work out the best means of coping with it. At present Section 35 is nothing but a blank cheque. It is valueless like other blank cheques until it is filled out, signed and backed by the resources of those who put their signatures on it.

What is then the next step to make Section 35 a working reality? While provincial governments will need to pass legislation supplementary to that passed by the Canadian Parliament in the last session and to make possible the establishment of municipal housing authorities, the largest measure of initiative will rest with each municipality. For if housing conditions vary in each locality, then it is the local authority who is the best judge of what its problems are, what could be done about them and how it should be done.

There will be a lot of soul searching among municipalities to determine what their most pressing housing problem is, whether it is one or all three of these: more serviced land, more houses for sale, or new low rental housing projects. Particularly to determine the latter will cause a great deal of headaches. Municipalities will want to find out how many low rental housing units are most urgently needed, of what kind and size they should be, where they should be located, what they should cost, what sub-economic rentals should

be charged and what contribution the municipality considers itself in a position to make without weakening its financial structure or significantly increasing the local tax burden. And finally it will have to make sure that it has a competent local housing authority that could put into effect whatever housing projects may be finally agreed upon between the municipal, provincial and Federal governments.

Views as to how the housing problem should be solved will vary in each municipality. A certain amount of confusion about the issues involved will be unavoidable until municipalities ascertain the facts underlying their housing problem, and examine what would be involved financially and otherwise if they were to contemplate positive action jointly with other governments.

There is nothing so convincing as facts. And if these are clearly established municipal authorities will find it immeasurably easier to make up their own minds about what should be done and to take action with the blessing of the majority of their citizens. After municipalities have established what their immediate housing needs are and what they would like to do about them jointly with other governments, their proposals will certainly receive earnest and sympathetic consideration of provincial and Federal authorities alike. And as proposals become agreements and agreements become new houses for Canadians another pillar will have been added to the housing effort of the Canadian people.

25% Canadian pop.
40% urban population

874,000 households
if 2 or more persons
40% owned 60% renting

Sample
(948)

TABLE 1.-POPULATION, HOUSEHOLDS AND INCOMES,

FOUR GREATER CITIES.

Greater City	Population 000	Households ⁽¹⁾			Average Annual Income For Household \$	Distribution of Annual Income						
		Owner- Occupiers 000	Tenants 000	Total 000		Lower Third		Middle Third		Upper Third		
						Number 000	Upper Boundary \$	Number 000	Range \$	Number 000	Lower Boundary \$	
Montreal	1,418	38	323	361	3,200	121	2,250	121	2,250 - 3,250	121	3,250	
Toronto	998	157	128	285	3,500	95	2,650	95	2,650 - 3,650	95	3,650	
Winnipeg	319	51	35	86	3,050	29	2,250	29	2,250 - 3,200	28	3,200	
Vancouver	516	92	50	142	3,100	47	2,300	47	2,300 - 3,200	48	3,200	
Four Greater City Total	3,251	338	536	874	3,250	292	2,400	292	2,400 - 3,400	292	3,400	

(1) Households approximate "spending units", the term used by the Dominion Bureau of Statistics in the sample survey. This and subsequent tables refer to spending units of two or more persons, and therefore exclude single person spending units. The source of the data is given on p. 7.

16
1. Vancouver (1948) 4 (1948 - 1950) 1950
2. 1948 (1947)
3. 1948 (1947)
4. 1948 (1947)
5. 1948 (1947)
6. 1948 (1947)
7. 1948 (1947)
8. 1948 (1947)
9. 1948 (1947)
10. 1948 (1947)
11. 1948 (1947)
12. 1948 (1947)
13. 1948 (1947)
14. 1948 (1947)
15. 1948 (1947)
16. 1948 (1947)
17. 1948 (1947)
18. 1948 (1947)
19. 1948 (1947)
20. 1948 (1947)
21. 1948 (1947)
22. 1948 (1947)
23. 1948 (1947)
24. 1948 (1947)
25. 1948 (1947)
26. 1948 (1947)
27. 1948 (1947)
28. 1948 (1947)
29. 1948 (1947)
30. 1948 (1947)
31. 1948 (1947)
32. 1948 (1947)
33. 1948 (1947)
34. 1948 (1947)
35. 1948 (1947)
36. 1948 (1947)
37. 1948 (1947)
38. 1948 (1947)
39. 1948 (1947)
40. 1948 (1947)
41. 1948 (1947)
42. 1948 (1947)
43. 1948 (1947)
44. 1948 (1947)
45. 1948 (1947)
46. 1948 (1947)
47. 1948 (1947)
48. 1948 (1947)
49. 1948 (1947)
50. 1948 (1947)
51. 1948 (1947)
52. 1948 (1947)
53. 1948 (1947)
54. 1948 (1947)
55. 1948 (1947)
56. 1948 (1947)
57. 1948 (1947)
58. 1948 (1947)
59. 1948 (1947)
60. 1948 (1947)
61. 1948 (1947)
62. 1948 (1947)
63. 1948 (1947)
64. 1948 (1947)
65. 1948 (1947)
66. 1948 (1947)
67. 1948 (1947)
68. 1948 (1947)
69. 1948 (1947)
70. 1948 (1947)
71. 1948 (1947)
72. 1948 (1947)
73. 1948 (1947)
74. 1948 (1947)
75. 1948 (1947)
76. 1948 (1947)
77. 1948 (1947)
78. 1948 (1947)
79. 1948 (1947)
80. 1948 (1947)
81. 1948 (1947)
82. 1948 (1947)
83. 1948 (1947)
84. 1948 (1947)
85. 1948 (1947)
86. 1948 (1947)
87. 1948 (1947)
88. 1948 (1947)
89. 1948 (1947)
90. 1948 (1947)
91. 1948 (1947)
92. 1948 (1947)
93. 1948 (1947)
94. 1948 (1947)
95. 1948 (1947)
96. 1948 (1947)
97. 1948 (1947)
98. 1948 (1947)
99. 1948 (1947)
100. 1948 (1947)
101. 1948 (1947)
102. 1948 (1947)
103. 1948 (1947)
104. 1948 (1947)
105. 1948 (1947)
106. 1948 (1947)
107. 1948 (1947)
108. 1948 (1947)
109. 1948 (1947)
110. 1948 (1947)
111. 1948 (1947)
112. 1948 (1947)
113. 1948 (1947)
114. 1948 (1947)
115. 1948 (1947)
116. 1948 (1947)
117. 1948 (1947)
118. 1948 (1947)
119. 1948 (1947)
120. 1948 (1947)
121. 1948 (1947)
122. 1948 (1947)
123. 1948 (1947)
124. 1948 (1947)
125. 1948 (1947)
126. 1948 (1947)
127. 1948 (1947)
128. 1948 (1947)
129. 1948 (1947)
130. 1948 (1947)
131. 1948 (1947)
132. 1948 (1947)
133. 1948 (1947)
134. 1948 (1947)
135. 1948 (1947)
136. 1948 (1947)
137. 1948 (1947)
138. 1948 (1947)
139. 1948 (1947)
140. 1948 (1947)
141. 1948 (1947)
142. 1948 (1947)
143. 1948 (1947)
144. 1948 (1947)
145. 1948 (1947)
146. 1948 (1947)
147. 1948 (1947)
148. 1948 (1947)
149. 1948 (1947)
150. 1948 (1947)
151. 1948 (1947)
152. 1948 (1947)
153. 1948 (1947)
154. 1948 (1947)
155. 1948 (1947)
156. 1948 (1947)
157. 1948 (1947)
158. 1948 (1947)
159. 1948 (1947)
160. 1948 (1947)
161. 1948 (1947)
162. 1948 (1947)
163. 1948 (1947)
164. 1948 (1947)
165. 1948 (1947)
166. 1948 (1947)
167. 1948 (1947)
168. 1948 (1947)
169. 1948 (1947)
170. 1948 (1947)
171. 1948 (1947)
172. 1948 (1947)
173. 1948 (1947)
174. 1948 (1947)
175. 1948 (1947)
176. 1948 (1947)
177. 1948 (1947)
178. 1948 (1947)
179. 1948 (1947)
180. 1948 (1947)
181. 1948 (1947)
182. 1948 (1947)
183. 1948 (1947)
184. 1948 (1947)
185. 1948 (1947)
186. 1948 (1947)
187. 1948 (1947)
188. 1948 (1947)
189. 1948 (1947)
190. 1948 (1947)
191. 1948 (1947)
192. 1948 (1947)
193. 1948 (1947)
194. 1948 (1947)
195. 1948 (1947)
196. 1948 (1947)
197. 1948 (1947)
198. 1948 (1947)
199. 1948 (1947)
200. 1948 (1947)
201. 1948 (1947)
202. 1948 (1947)
203. 1948 (1947)
204. 1948 (1947)
205. 1948 (1947)
206. 1948 (1947)
207. 1948 (1947)
208. 1948 (1947)
209. 1948 (1947)
210. 1948 (1947)
211. 1948 (1947)
212. 1948 (1947)
213. 1948 (1947)
214. 1948 (1947)
215. 1948 (1947)
216. 1948 (1947)
217. 1948 (1947)
218. 1948 (1947)
219. 1948 (1947)
220. 1948 (1947)
221. 1948 (1947)
222. 1948 (1947)
223. 1948 (1947)
224. 1948 (1947)
225. 1948 (1947)
226. 1948 (1947)
227. 1948 (1947)
228. 1948 (1947)
229. 1948 (1947)
230. 1948 (1947)
231. 1948 (1947)
232. 1948 (1947)
233. 1948 (1947)
234. 1948 (1947)
235. 1948 (1947)
236. 1948 (1947)
237. 1948 (1947)
238. 1948 (1947)
239. 1948 (1947)
240. 1948 (1947)
241. 1948 (1947)
242. 1948 (1947)
243. 1948 (1947)
244. 1948 (1947)
245. 1948 (1947)
246. 1948 (1947)
247. 1948 (1947)
248. 1948 (1947)
249. 1948 (1947)
250. 1948 (1947)
251. 1948 (1947)
252. 1948 (1947)
253. 1948 (1947)
254. 1948 (1947)
255. 1948 (1947)
256. 1948 (1947)
257. 1948 (1947)
258. 1948 (1947)
259. 1948 (1947)
260. 1948 (1947)
261. 1948 (1947)
262. 1948 (1947)
263. 1948 (1947)
264. 1948 (1947)
265. 1948 (1947)
266. 1948 (1947)
267. 1948 (1947)
268. 1948 (1947)
269. 1948 (1947)
270. 1948 (1947)
271. 1948 (1947)
272. 1948 (1947)
273. 1948 (1947)
274. 1948 (1947)
275. 1948 (1947)
276. 1948 (1947)
277. 1948 (1947)
278. 1948 (1947)
279. 1948 (1947)
280. 1948 (1947)
281. 1948 (1947)
282. 1948 (1947)
283. 1948 (1947)
284. 1948 (1947)
285. 1948 (1947)
286. 1948 (1947)
287. 1948 (1947)
288. 1948 (1947)
289. 1948 (1947)
290. 1948 (1947)
291. 1948 (1947)
292. 1948 (1947)
293. 1948 (1947)
294. 1948 (1947)
295. 1948 (1947)
296. 1948 (1947)
297. 1948 (1947)
298. 1948 (1947)
299. 1948 (1947)
300. 1948 (1947)
301. 1948 (1947)
302. 1948 (1947)
303. 1948 (1947)
304. 1948 (1947)
305. 1948 (1947)
306. 1948 (1947)
307. 1948 (1947)
308. 1948 (1947)
309. 1948 (1947)
310. 1948 (1947)
311. 1948 (1947)
312. 1948 (1947)
313. 1948 (1947)
314. 1948 (1947)
315. 1948 (1947)
316. 1948 (1947)
317. 1948 (1947)
318. 1948 (1947)
319. 1948 (1947)
320. 1948 (1947)
321. 1948 (1947)
322. 1948 (1947)
323. 1948 (1947)
324. 1948 (1947)
325. 1948 (1947)
326. 1948 (1947)
327. 1948 (1947)
328. 1948 (1947)
329. 1948 (1947)
330. 1948 (1947)
331. 1948 (1947)
332. 1948 (1947)
333. 1948 (1947)
334. 1948 (1947)
335. 1948 (1947)
336. 1948 (1947)
337. 1948 (1947)
338. 1948 (1947)
339. 1948 (1947)
340. 1948 (1947)
341. 1948 (1947)
342. 1948 (1947)
343. 1948 (1947)
344. 1948 (1947)
345. 1948 (1947)
346. 1948 (1947)
347. 1948 (1947)
348. 1948 (1947)
349. 1948 (1947)
350. 1948 (1947)
351. 1948 (1947)
352. 1948 (1947)
353. 1948 (1947)
354. 1948 (1947)
355. 1948 (1947)
356. 1948 (1947)
357. 1948 (1947)
358. 1948 (1947)
359. 1948 (1947)
360. 1948 (1947)
361. 1948 (1947)
362. 1948 (1947)
363. 1948 (1947)
364. 1948 (1947)
365. 1948 (1947)
366. 1948 (1947)
367. 1948 (1947)
368. 1948 (1947)
369. 1948 (1947)
370. 1948 (1947)
371. 1948 (1947)
372. 1948 (1947)
373. 1948 (1947)
374. 1948 (1947)
375. 1948 (1947)
376. 1948 (1947)
377. 1948 (1947)
378. 1948 (1947)
379. 1948 (1947)
380. 1948 (1947)
381. 1948 (1947)
382. 1948 (1947)
383. 1948 (1947)
384. 1948 (1947)
385. 1948 (1947)
386. 1948 (1947)
387. 1948 (1947)
388. 1948 (1947)
389. 1948 (1947)
390. 1948 (1947)
391. 1948 (1947)
392. 1948 (1947)
393. 1948 (1947)
394. 1948 (1947)
395. 1948 (1947)
396. 1948 (1947)
397. 1948 (1947)
398. 1948 (1947)
399. 1948 (1947)
400. 1948 (1947)
401. 1948 (1947)
402. 1948 (1947)
403. 1948 (1947)
404. 1948 (1947)
405. 1948 (1947)
406. 1948 (1947)
407. 1948 (1947)
408. 1948 (1947)
409. 1948 (1947)
410. 1948 (1947)
411. 1948 (1947)
412. 1948 (1947)
413. 1948 (1947)
414. 1948 (1947)
415. 1948 (1947)
416. 1948 (1947)
417. 1948 (1947)
418. 1948 (1947)
419. 1948 (1947)
420. 1948 (1947)
421. 1948 (1947)
422. 1948 (1947)
423. 1948 (1947)
424. 1948 (1947)
425. 1948 (1947)
426. 1948 (1947)
427. 1948 (1947)
428. 1948 (1947)
429. 1948 (1947)
430. 1948 (1947)
431. 1948 (1947)
432. 1948 (1947)
433. 1948 (1947)
434. 1948 (1947)
435. 1948 (1947)
436. 1948 (1947)
437. 1948 (1947)
438. 1948 (1947)
439. 1948 (1947)
440. 1948 (1947)
441. 1948 (1947)
442. 1948 (1947)
443. 1948 (1947)
444. 1948 (1947)
445. 1948 (1947)
446. 1948 (1947)
447. 1948 (1947)
448. 1948 (1947)
449. 1948 (1947)
450. 1948 (1947)
451. 1948 (1947)
452. 1948 (1947)
453. 1948 (1947)
454. 1948 (1947)
455. 1948 (1947)
456. 1948 (1947)
457. 1948 (1947)
458. 1948 (1947)
459. 1948 (1947)
460. 1948 (1947)
461. 1948 (1947)
462. 1948 (1947)
463. 1948 (1947)
464. 1948 (1947)
465. 1948 (1947)
466. 1948 (1947)
467. 1948 (1947)
468. 1948 (1947)
469. 1948 (1947)
470. 1948 (1947)
471. 1948 (1947)
472. 1948 (1947)
473. 1948 (1947)
474. 1948 (1947)
475. 1948 (1947)
476. 1948 (1947)
477. 1948 (1947)
478. 1948 (1947)
479. 1948 (1947)
480. 1948 (1947)
481. 1948 (1947)
482. 1948 (1947)
483. 1948 (1947)
484. 1948 (1947)
485. 1948 (1947)
486. 1948 (1947)
487. 1948 (1947)
488. 1948 (1947)
489. 1948 (1947)
490. 1948 (1947)
491. 1948 (1947)
492. 1948 (1947)
493. 1948 (1947)
494. 1948 (1947)
495. 1948 (1947)
496. 1948 (1947)
497. 1948 (1947)
498. 1948 (1947)
499. 1948 (1947)
500. 1948 (1947)
501. 1948 (1947)
502. 1948 (1947)
503. 1948 (1947)
504. 1948 (1947)
505. 1948 (1947)
506. 1948 (1947)
507. 1948 (1947)
508. 1948 (1947)
509. 1948 (1947)
510. 1948 (1947)
511. 1948 (1947)
512. 1948 (1947)
513. 1948 (1947)
514. 1948 (1947)
515. 1948 (1947)
516. 1948 (1947)
517. 1948 (1947)
518. 1948 (1947)
519. 1948 (1947)
520. 1948 (1947)
521. 1948 (1947)
522. 1948 (1947)
523. 1948 (1947)
524.

TABLE 3.-INCOMES AND SHELTER EXPENDITURES OF HOUSEHOLDS

IN LOWER INCOME THIRD FOUR GREATER CITIES.

Greater City	Tenant	Average Annual Income (1)	Actual Annual Shelter Expenditures		Expenditures equal to 25 Percent of Income	
	Households 000		Amount	Percent of Income	Annual	Monthly
Montreal	109 / 121 70	1,785	351 29.30	20	446	37
Toronto	48 / 95 50	2,057	447 37.30	22	514	43
Winnipeg	13 / 29 45	1,696	330 27.50	19	424	35
Vancouver	18 / 47 40	1,672	354 29.50	21	418	35
Four Greater City Average	188,000 65%	1,837	374 31.20	21	459	38

(1) Weighted average of annual incomes of owner-occupiers and tenants.

38.30

c. \$730

② #19

⑥ #23-24

TABLE 2.-MONTHLY OPERATING COSTS OF ONE LOW-RENTAL
HOUSING UNIT, FOUR GREATER CITIES.

(In Dollars)

Greater City	Amortization of Capital (1)	Local Taxes	Other Operating Expenses						Heat and Domestic Hot Water	Total
			Insurance (2)	Maintenance And Repair	Light And Power (3)	Janitor Costs	General Administration	Sub-total		
Montreal	22.50	7.00	1.75	5.00	1.75	3.50	3.50	15.50	7.00	52.00
Toronto	22.50	7.00	1.75	5.00	1.75	3.50	3.50	15.50	6.50	51.50
Winnipeg	22.50	7.00	1.75	5.00	1.75	3.50	3.50	15.50	7.50	52.50
Vancouver	22.50	7.00	1.75	5.00	1.75	3.50	3.50	15.50	5.50	50.50
Four Greater City Average	22.50	7.00	1.75	5.00	1.75	3.50	3.50	15.50	6.60	51.60

(1) On the basis of capital costs of \$7,000 fully amortized over 50 years at 3 per cent.

(2) Covers fire and public liability insurance.

(3) Non-residential light and power requirements.

TABLE 4.--MONTHLY ECONOMIC AND SUB-ECONOMIC RENTALS,

FOUR GREATER CITIES.

(In Dollars)

Greater City	Economic Rentals ⁽¹⁾	Sub-Economic Rentals		Rental Subsidies	
		Range	Average ⁽²⁾	Range	Average
Montreal	52.00	25.00 - 47.00	38.50	5.00 - 27.00	13.50
Toronto	51.50	25.00 - 50.00 ⁽³⁾	39.00	1.50 - 26.50	12.50
Winnipeg	52.50	25.00 - 47.00	35.50	5.50 - 27.50	17.00
Vancouver	50.50	25.00 - 48.00	36.50	2.50 - 25.50	14.00
Four Greater City Average	51.60	25.00 - 48.00	38.00	3.60 - 26.60	13.60

(1) Equal to monthly operating costs, as shown in Table 2.

(2) Allowing for a minimum rental of \$25 irrespective of income.

(3) Of the 48,000 households in the lower income third living in rented quarters in Greater Toronto, about 37,000 were in the less than \$2400 group and 11,000 had incomes between \$2400 and \$2650.

Allowance is made above only for the less than \$2400 group, since the \$2400 to \$2650 group is assumed to be able to afford economic rentals.

TABLE 5.-FEDERAL AND PROVINCIAL SHARE OF CAPITAL COSTS AND
RENTAL SUBSIDIES, FOUR GREATER CITIES.

(In Dollars)

Greater City	Capital Costs			Rental Subsidies ⁽¹⁾					
	Federal Government	Provincial Government	Total	Monthly			Annual		
				Federal Government	Provincial Government	Total	Federal Government	Provincial Government	Total
Montreal	5,250	1,750	7,000	10.12	3.38	13.50	121.44	40.56	162.00
Toronto	5,250	1,750	7,000	9.37	3.13	12.50	112.44	37.56	150.00
Winnipeg	5,250	1,750	7,000	12.75	4.25	17.00	153.00	51.00	204.00
Vancouver	5,250	1,750	7,000	10.50	3.50	14.00	126.00	42.00	168.00
Four Greater City Average	5,250	1,750	7,000	10.20	3.40	13.60	122.40	40.80	163.20

(1) See Table 4.

TABLE 6.-ANNUAL MUNICIPAL BUDGET FOR INDIVIDUAL LOW-RENTAL HOUSING
 UNIT, FOUR GREATER CITIES,
 (In Dollars)

Greater City	Expenditures		Receipts		
	Capital Costs ⁽¹⁾	Contribution to Annual Rental Subsidies ⁽¹⁾	Annual Amortization of Capital Costs ⁽¹⁾	Local Taxes	Total
Montreal	875	20.00	34	84	118
Toronto	875	19.00	34	84	118
Winnipeg	875	25.50	34	84	118
Vancouver	875	21.00	34	84	118
Four Greater City Average	875	20.50	34	84	118

(1) On the assumption of the province and municipality each sharing half of the 25 percent with the Federal Government contributing the remaining 75 percent of capital costs and sharing to the same extent in operating profits and losses.